Amend Ins 1201.09, effective 04-01-00 (Document #7146), by adding new paragraphs (j), (k) and (l) to read as follows:

(j) Insurers may use a rate for the nominal monthly outstanding balance premium rate that is independent of the term of the loan.

(k) In calculating a rate that is independent of the loan term, the insurer shall:

(1) Calculate the rate as the weighted average of the prescribed nominal monthly outstanding balance premium rates;

(2) Use the outstanding principal amounts as weights; and

(3) Demonstrate that this composite term premium rate is revenue neutral compared to the term specific rates otherwise prescribed.

(l) Insurers may use an alternative rate development methodology for calculating nominal monthly outstanding balance premium rates that are independent of the term of the loan, with the commissioner's approval, provided that such rates are actuarially equivalent to the actual premium rates produced by Ins 1201.10.